

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

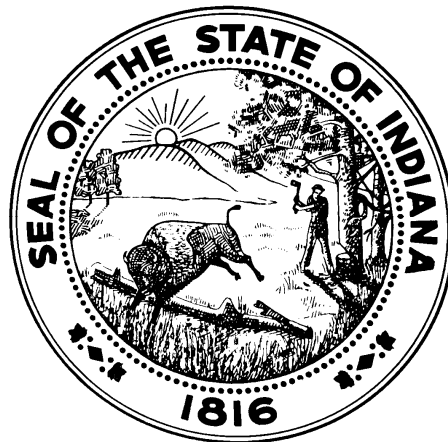
AUDIT REPORT

OF

COUNTY TREASURER

CASS COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

12/18/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Shelia K. Thompson	01-01-05 to 12-31-08
President of the County Council	Chod Gibson	01-01-06 to 12-31-07
President of the Board of County Commissioners	Richard Eller Steven M. Kain	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CASS COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2006 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Cass County for the year 2006.

STATE BOARD OF ACCOUNTS

September 20, 2007

COUNTY TREASURER
CASS COUNTY
AUDIT RESULTS AND COMMENTS

PREScribed FORMS

The following prescribed or approved forms were not always in use, County Form 9 (Tax Duplicate), Form 18TJ (Personal Property Tax Judgment Receipt), Form 24B (Fund Ledger and Ledger of Receipts), Form 16 (Warrant and Warrant Register), Form 61 (Monthly Financial Statement), Form 20-21 (Combination Quietus and Application to Pay), Form 65 (Register of Taxes Collected), and others. Unapproved forms generated by the County's accounting and property tax software were used to replace some of these forms. These unapproved forms did not always provide all of the information required on the prescribed forms.

County Form 47 (Treasurer's Daily Balance of Cash and Depositories) was not used in the manner prescribed. The excess tax collections and the drainage maintenance collections were not recorded separately from the property tax collections as required. The unapproved form used to replace the Register of Taxes Collected also does not separate the types of collections as required. As a result, property taxes, drainage maintenance collections, and the excess tax at settlement cannot be reconciled to the Treasurer's Daily Balance of Cash and Depositories.

Officials and employees are required to use State Board of Account prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

CONDITION OF RECORDS

The County Treasurer's daily record of cash and depositories does not agree to the records posted by the County Auditor. Tax sales costs are transferred by quietus as the county is billed for tax sale services. The County Auditor transferring tax sales costs by quietus for the amount certified by the Treasurer at settlement as shown on Form 49TC (County Treasurer's Certificate of Tax Collections). The Treasurer's records are posted for the account balance of the fund at the time of settlement.

COUNTY TREASURER
CASS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

Officials and employees are required to use State Board of Account prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

RECONCILIATION OF SUBSIDIARY LEDGERS

The detail of the end of day reports (Bureau of Motor Vehicle) for the period of October 1, 2006 to December 31, 2006, did not agree with the balance on the Treasurer's Daily Balance of Cash and Depositories Other Sources: Vehicle License Excise Tax at December 31, 2006. The Treasurer is showing an unidentified amount of \$147,509 at December 31, 2006.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

COUNTY TREASURER
CASS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2007, with Steven M. Kain, President of the Board of County Commissioners; and Thomas R. Keplar, Vice-President of the County Council. The officials concurred with our audit findings.

The contents of this report were discussed on September 20, 2007, with Shelia K. Thompson, Treasurer. The official response has been made a part of this report and may be found on pages 7 through 9.



Shelia K. Thompson
TREASURER CASS COUNTY

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Fax (574) 753-0401
E-mail: treasurer@casscountygov.org

September 28, 2007

**OFFICIAL RESPONSE TO THE
EXAMINATION FOR THE YEAR 2006**

State Board of Accounts
302 West Washington Street
4th Floor, Room E418
Indianapolis, Indiana 46204-2738

Prescribed Forms:

County Form 9 (Tax Duplicate) can be reproduced on any day it is requested. The information is stored in the data base of our property tax system software. Treasurer's offices were told we are no longer required to have the tax duplicates displayed as per the SBOA during the year of 2000.

County Form 18TJ-Personal Property Tax Judgment Receipt (which is not displayed in the Treasurer's Manual nor could it be found on the web site for forms). All receipts provided are printed as payments are made, using the software available from the LOW system.

County Form 24B-Fund Ledger and Ledger of Receipts (which is not displayed in the Treasurer's Manual nor could it be found on the web site for forms). The bookkeeper keeps a monthly notebook of the funds ledger and the quietus receipts. These are not purchased forms but are the ones provided in the software available from the LOW system. The fund ledger is balanced monthly with the Auditor's office and as never failed to be the same.

County Form 16-Warrant and Warrant Register (which is not displayed in the Treasurer's Manual nor could it be found on the web site for forms). The bookkeeper keeps monthly records of all warrants and warrant register. We were not informed that the examiner needed to see specific records. Our records are available at all times and if the examiner did not find what they needed we could have steered them in the right direction.

County Form 61-Monthly Financial Statement. I have never seen from the previous Treasurer's records a ledger of this sort. We have faithfully provided the Form 47TR.

After checking with other counties I find that they have not used that form for years and that they don't think the form is provided by the printers any longer. Regarding forms available by vendors, will be an additional comment at the end of this section.

County Form 20-21-Combination Quietus and Application to Pay (which is not displayed in the Treasurer's Manual nor could it be found on the web site for forms). This is another form provided in the software program and is labeled correctly, retained in the Auditor's office and in the Treasurer's Office.

County Form 65-Register of Taxes Collected (which is not displayed in the Treasurer's Manual nor could it be found on the web site for forms). Our register of taxes collected is printed daily and retained in a folder along with the days deposit slips, bank statements, and ACH receipts.

County Form 47-Treasurer's Daily Balance of Cash and Depositories (which is not displayed in the Treasurer's Manual nor could it be found on the web site for forms). Our daily balance of cash and deposits is kept daily in a folder (by month) of the days deposit slips, bank statements and ACH receipts. Excess collections and drainage collections are not separated daily from the collections. The software is not capable of this function. This issue has been addressed for the last three years and as yet is not resolved. However, I am curious why I get written up for this issue when Fulton County, and no other county, using the LOW software have been written for the same offense. The report "Details AO Details" gives a complete break down of the collections in each ditch and the excess collections collected for each parcel. Fulton County shows the same reports to *the same examiners* and there has never been a criticism. I am sure that LOW is addressing this issue.

As a result of last years examination I sent copies of all samples provided by the software company on September 6, 2006. The only response I received was a comment from Tammy White saying that the tax statement could not be approved without the information on the statement. I resent a tax statement (my personal statement) as a sample of the information provided. No response has been received.

After receiving the audit results, I contacted our vendor, Boyce Printing, and our representative went over the forms one by one with me. Most were no longer being printed. Copies of the forms still being produced are being sent to me for examination. As of this date they have not arrived.

Also, I will apologize if the forms are available on line but I spent quite a bit of time trying to find the location and had no results. I called SBOA and was told that everyone was gone to a meeting and the receptionist was not allowed to answer questions.

Condition of Records:

Tax Sale receipts are posted the day of the tax sale. All payments after the tax sale are considered redemptions and are collected in the Auditor's Office. This office does not

record or post redemption payments. We do receive record as quietuses are produced. The auditor can request a transfer of funds at any time. The service provider funds collected are always available to be transferred into the fund to reimburse the vendor.

Reconciliation of Subsidiary Ledgers:

The ACH deposits received in our cash management accounts are receipted in *exactly* like they are received. The settlement figures (April and October) are compiled by the exact deposits received during those periods. Any balance still remaining is a result of receipts received during those dates that do not pertain to the settlement period. The auditor's office has had some differences in amounts but this office can only justify the receipts received by ACH in our cash management account. Therefore, the treasurer's balance should always be the balance the auditor's office has to match.

In conclusion, I am greatly offended that examiners for Cass County have chosen to be exceptionally critical of this office. Especially when evidence of the same examiners in different counties is not in line with the criticisms given to this office. I would hope that consistency would be important in all examinations.

In years past I have been very pleased with our examiners because they have been helpful and offered suggestions of how to keep better records. This year I was not even shown the audit results until they were done with the audit and presented at the exit interview without asking for additional documentation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Shelia K. Thompson".

Shelia K. Thompson
Cass County Treasurer